

THIS PRESENTATION HAS BEEN REVIEWED BY BC AND IS NOW LOCKED FOR CHANGES

Games Velocity Program

Review of the program approved in April 2019
2 proposals for program extension

June 2021

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EXHIBIT 1524.R

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GOOG-PLAY-010849896.R

EXHIBIT 1524.R-001

Executive Summary

Games Velocity Program (GVP) worked & It is meeting its objectives

GVP was approved in 2019 for 21 strategic developers

GVP met its objectives:

- 20/21 developers signed; 100% launches shipped
- Partnership sentiment shifted from service fees to joint value creation
- Created xGoogle value; GCP signed several incremental commits w/ Gaming clients

Net GVP program investment of \$121m¹ was
\$291m less than what BC approved

Why are we here? 2 proposals for BC approval

ASK 1: Extend Marketing / Ads / YouTube for signed developers to 2022
\$79m (net -\$26m) in additional investments for GVP 2019 developers

ASK 2: Extend GVP to 9 new developers
\$257m (net +\$106m) in xPA investments

¹ Includes \$79m in additional investments proposed as part of ASK 1

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GVP 2019 Review



Reminder: Games Velocity Program (GVP) was approved to deepen top game developer partnerships with Play & Google by unlocking xGoogle value

Changes in mobile gaming created potential for game developers to de-prioritize Play users, and an opportunity for xGoogle collaboration for 21 top gaming partners, to provide to best content for Play users



Google's expanded value proposition to developers via xPA offers and services

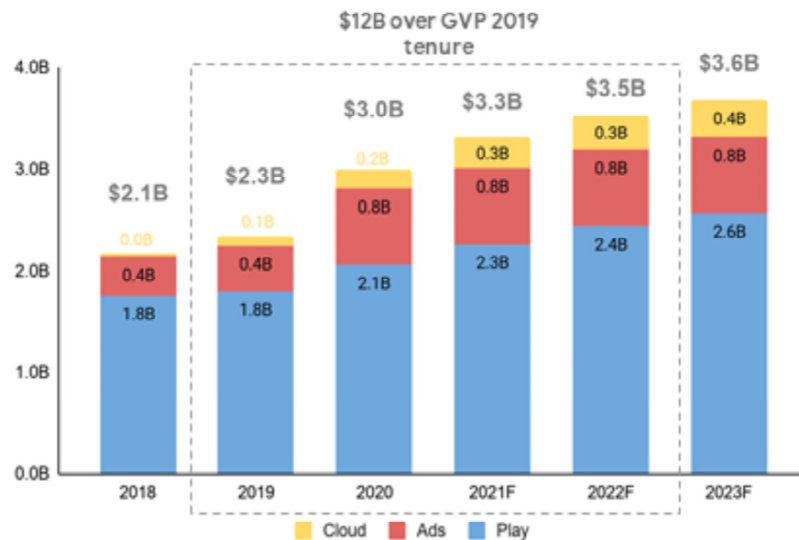
Four new cross-Google "service packs", across the developer lifecycle



Goals **Developers Prioritize Play Users** **Improve Developer Sentiment** **Boost x-PA Value**

Reminder: GVP 2019 developers drove 1.7% of Alphabet's revenues in 2020, presented strong xPA growth opportunities

Alphabet revenues from GVP 2019 developers



xPA opportunity driven by GVP devs

- **Play** - 20% of annual revenue, marquee content, market/product expansion e.g: multi-platform gaming)
- **Cloud** - new revenue opportunity in gaming vertical
- **YouTube** - content with fast growing viewership
- **Brand** - excellent IP for comarketing, DEI efforts

20 of 21 devs signed, simshipped titles & sentiment improved. All incentives were reinvested in Google, enabling GCP to expand its presence in gaming

Goal 1: Developers Prioritize Play Users	Goal 2: Improve Developer Sentiment	Goal 3: Boost x-PA Value ³
<ul style="list-style-type: none"> ● 20 of 21 target devs¹² (20% of Play spend) signed GVP 2019 ● 100% titles sim-shipped on Play (247 titles) ● Unlocked x-platform gaming partnership & revenues 	<ul style="list-style-type: none"> ● 14 devs asked about service fees pre signing; 0 post¹ ● Developers leaning into Play & Google partnership beyond GVP 2019 ● No GVP 2019 developers are in the App Coalition 	<ul style="list-style-type: none"> ● \$191M in incremental GCP commits; including 8 new accounts⁴ (not incl. ABK). GVP cohort growing 20% faster than GCP overall (70% vs. 50%). ● +10% revenue uplift for Ads, in line with expectations, but can improve -ve ROI⁵ ● >150% uplift in developer content uploads on YouTube

1 Supercell declined due to low perceived xGoogle value. Exploring new emerging markets opportunities to bring them to the table.

2 GVP 2019 target list of 21 counts ABK as 3 Play developers - Activision, Blizzard and King

3 ABK included in assessing impact of Goals 1 and 2, but not 3. ABK investment went beyond GVP and was approved separately by BC

4 8 new accounts include - EA, Tencent, Aniplex, Mixi, Pearl Abyss, NCSoft, Com2Us, Ubisoft Mobile

5 GVP 2021 will address Ads ROI by moving to AIP structure that lowers credits and ties them to incremental spend.

- product commits? Better than expected?
- [Link](#) to source

Ask 1: Invest \$79m (net -\$26m) over two years in select developers to retain improved dev sentiment, incent growth, align incentives to deal term¹

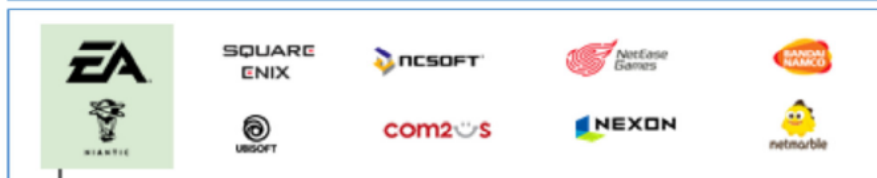
Guiding Principle for renewals:
Lean into growth

Invest in developers who continue to drive growth and/or enable strategic priorities (e.g. B*, Play Points)
Limit Ads Credit renewals
No changes/renewals to existing multi year deals

Investment Principle:
Leverage BAU programs, funds

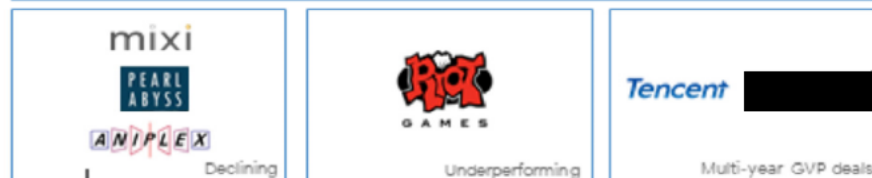
Improve value creation e.g. Ads investments via AIP
Prioritize using BAU funds, e.g. Play co-marketing² campaigns
Apply incentive programs designed for strategic priorities broadly

RENEW selectively² for devs growing on Play



Only 2 of 20 GVP 2019 devs proposed for Ads credits beyond 2020

NO RENEWALS for devs declining, underperforming, in multi-year deals



Part of standard incentive programs for strategic priorities, eg B*

1. GVP 2019 deal term is 3 years ending in 2022-2023. Only Cloud credits are for three years. All other incentives (ie Comarketing, YouTube Grants, Ads) ended in 2020.
2. Play Marketing makes several BAU investments with GVP 2019 developers which return +ve ROI for Google

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- Charts: <https://docs.google.com/spreadsheets/d/1y0ws4LIaJXbN1-0iKqD3fF-uHAOGsHD95w7hB4n5lNk/edit#gid=0>
- Previously neutral/-ve now positive - NO
- Previously negative now neutral - YES
- Previously neutral/negative now neutral / in a multi year deal - NO

GVP 2019 projected to consume only \$121m in net investment vs. \$412m expected at BC

Service Pack Economics	BC case	Latest outlook	Variance (under) / over BC case
Before Accounting Adjustments			
(A) Incremental Google Cont. Margin (Gross of GVP incentives)	(103)	502	604
Cloud	(74)	383	458
Ads	(41)	(9)	33
Play	13	127	114
(B) GVP Incentives by service pack	(309)	(623)	(314)
Cloud	(102)	(375)	(273)
Ads	(32)	(13)	19
Play	(176)	(235)	(59)
(C) Incremental Google Cont. Margin (Net of GVP incentives) (A+B)	(412)	(121)	291
Cloud	(176)	8	184
Ads	(73)	(22)	51
Play	(163)	(107)	56
Play Spend from 1.0 Devs (2020-2022)		19,624	
Gross inv as a % of Spend		-3.2%	
Net inv as a % of Spend		-0.6%	
Play Rev from 1.0 Devs (2020-2022)		5,887	
Gross inv as a % of Play Revenue		-10.6%	
Net inv as a % of Play Revenue		-2.1%	

Outperformance due to:

- **Cloud:** Commits unlocked higher-than-projected incremental revenue
- **Ads:** long negotiations delayed deal signing resulting in lower utilization
- **Play:** invested more but also achieved higher returns than expected on marketing

Figures include \$79m in refreshed Marketing, Ads, YouTube investments (\$26m net investment incl. Value recouped)

NOTE: contribution margin" reflects the effects of many components of GVP 2019 but excludes some, such as value from stronger developer relationships and strategic product integrations. Overall contribution margin from GVP partners was strongly positive for each of Play, Cloud, and Ads.

Section B quantifies Cloud and Ad credits at their cost to serve.
Refer to the speaker notes for key assumptions and basis of presentation

- 1 All GVP 2019 investments except Cloud credits expired in 2020; we'd like to [selectively extend refreshed investments](#), with mostly BAU funds to sustain improved developer sentiment
- 2 Some developers beyond 11 being proposed for refreshes may get investments, but only against adoption of Google strategic priorities eg B*, Play Points
- 3 GVP 2019 did not originally include any Play Loyalty incentives. This is a new program addition to secure Play's strategic priorities with developers

- Taking out ABK because the deal with them was subsequently morphed beyond the scope of GVP
- Context and goals of program...
- Investment of credits and marketing was partly offset by incremental revenue in Cloud, Ads, and Play.
- Net investment - key assumptions:
 - Excludes Strategic Value from improved Dev Sentiment | simship of titles | prod integration
 - Excludes xPA transfer implications
 - Excludes HC costs
 - 3 year program duration (mostly 2020-2023). Deal start date varies by Dev. Assuming GVP 1.0 ends after Year 3
 - Cloud value recouped Includes spend uplift attributable by Cloud to GVP 1 year past the program duration (customer acquisition value). This benefit is not expected to be repeated if GVP is extended.

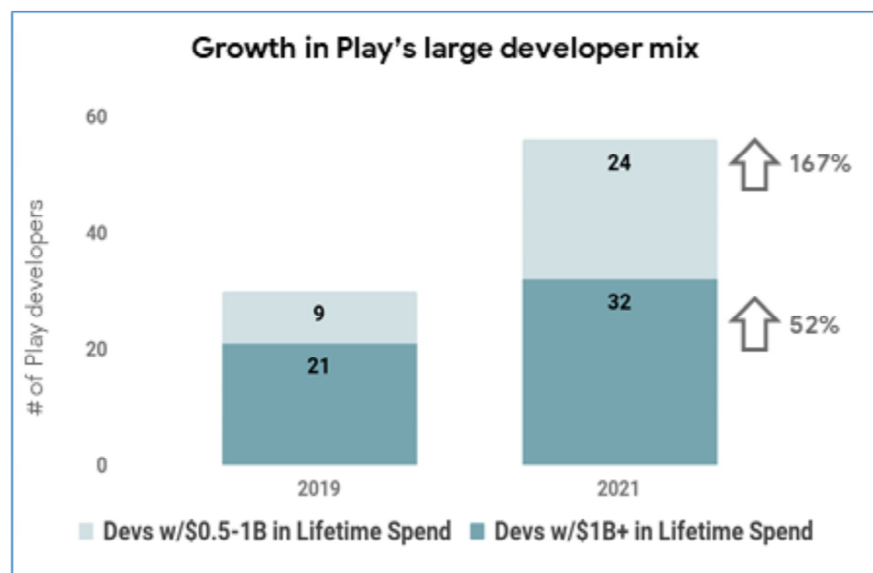
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GVP 2021 overview



Developers making >\$500M in lifetime spend on Play has doubled since 2019.
New developer mix poses challenges and presents opportunities.

Lifetime spend growth among top partners since 2019



Challenges and opportunities presented by new developer mix

New large & influential developers:

- Offer potential for xGoogle opportunities
- Innovating on monetization strategies

xGoogle partnerships with these developers will help:

- GCP compete with MS, AMZN¹ in gaming
- Play compete with App Store by incentivizing devs to not de-prioritize Play users²

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¹ Google Cloud competes with larger competitors like Amazon, Microsoft who regularly bundle their products

² As part of GVP, we ask for Play users to be treated "at par" with App Store users via parity in launch dates, features and in game content. No asks for exclusivity or Play-first launches

- Charts: <https://docs.google.com/spreadsheets/d/1y0ws4LIaJXbN1-0iKqD3fF-uHAOGsHD95w7hB4n5lNk/edit#gid=0>

GVP 2021 strengthens xGoogle partnership with 9 of Play's large & growing developers (15% of Play spend)

Devs building the best mobile games for Play users & represent largest opportunity for GCP

Devs
growing on
Play

Lifetime Spend of >\$500M
+
100% growth YoY

Lifetime Spend of >\$1B
+
20% growth YoY

AAA / PC /
Console
Devs³

AAA developers with IPs having
lifetime sales of >\$1B

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ROBLOX



Growing >100%



playrix

MOONACTIVE

Growing >50%



Growing >20%

KONAMI

SEGA

AAA devs w/ \$B IPs

Konami & Sega also have a large (lifetime >\$500M) presence on Play

None of these developers qualified² for GVP in 2019 as they lacked sufficient scale, or did not have upcoming launches

¹ Subject to legal counsel's assessment of the merits and potential liability associated with claims filed against or impacting Google

² GVP 2019 eligibility criteria: (\$1B in spend from AAA IP OR \$1B in lifetime spend on Play OR \$200M in lifetime spend on Play growing at 200%) AND (major title launch in upcoming 12 months)

GVP 2021 applies lessons learned from GVP 2019 to drive positive contribution margin for Google while unlocking xGoogle value for developers

Trim offers; tie to growth

- **GCP** - devs selected based on cloud opportunity. Credits offered with commits
- **Ads** - based on standard AIP for better ROI. Incremental credits driven by growth
- **Play** - offers (e.g. comarketing) unlocked by spend growth
- **Marketing** - incremental value to dev & Play via DMF+

Secure product priorities for Play users

- **Strategic Product commits** - **Battlestar** and **Points** integration
- **Game quality** - SKU, feature, and content parity to ensure best user experience
- **Ecosystem influence** - [help Google scale](#) products through joint PR & case studies

Simplify & Scale Operations

- **Automate**¹ - reduce manual efforts - eg: Project Rosie for Ads Payout
- **Term**: 3 Years for all offers **except Ad Credits** (renewal based on ROI and exec approval)
- **Consults**: Drop: Ads SVAs. Add: Play Tech Consults, Project Ally, YouTube impact attribution

¹ We are making progress in improving operations by automation / scaling eg delivering Ads, Cloud credits; however, aspects such as xGoogle accounting, marketing & legal operations continue to remain highly operational & resource intensive

- We learnt that accounting guidelines mandate a high Play P&L dilution when GCP credits are allowed to retire commits. In GVP 2021, we propose setting up a governance committee to ensure signed deals remain within the approval guardrails, and to review them appropriately if not

GVP 2021 is contribution margin positive for Cloud, Ads, and Google Overall

\$m	Base Total '21-'25	Low Total '21-'25	High Total '21-'25
Incremental Revenue			
Play	\$139M	\$123M	\$539M
Play Revenue Allocation	(\$94M)	(\$90M)	(\$88M)
Play Post-Acct. Rev	\$45M	\$33M	\$451M
Cloud (Revenue net of discounts)	\$504M	\$652M	\$883M
Cloud Revenue Allocation	\$94M	\$90M	\$88M
Cloud Post-Acct. Rev	\$598M	\$742M	\$971M
Ads (excl. Play + YT)	\$65M	\$53M	\$77M
YT (Ads)	\$65M	\$53M	\$77M
Total Incremental Revenue	\$773M	\$880M	\$1,575M

Direct Deal Related Cost incl. GVP incentives			
Play	(\$195M)	(\$223M)	(\$545M)
Cloud	(\$358M)	(\$589M)	(\$697M)
Ads (excl. Play + YT)	(\$66M)	(\$58M)	(\$74M)
YT (Ads)	(\$49M)	(\$42M)	(\$56M)
Total Cost	(\$667M)	(\$912M)	(\$1,371M)

Deal Contribution Margin			
Play	(\$150M)	(\$191M)	(\$93M)
Cloud	\$241M	\$153M	\$274M
Ads (excl. Play + YT)	(\$1M)	(\$5M)	\$3M
YT (Ads)	\$16M	\$11M	\$20M
Total Contribution Margin	\$106M	(\$32M)	\$204M

Incremental Revenue includes Revenue net of discounts for Cloud, Play uplift from GPP / Marketing), Ads uplift

- **Cloud:** 1%-2% (down from 2%) of Play spend as Cloud credits; Service pack designed to incentivize new commits and spending.
- **Ads:** UAC credits at 1%-5% (down from 33%) of Ad spend.
- **Play:** \$106M Marketing, \$10M in Google Play Points and \$10M in Esports/YT grants in the base case
Scales up with performance for Garena
- Direct deal related costs include \$257m in GVP incentives (Cloud - \$114m | Ads - \$18m | Play marketing, esports, GPP - \$125)
- GVP incentives as a % of Play spend: ~1% (down from 3.2%)
- **NOTE: contribution margin" reflects the projected effects of many components of GVP 2021 but excludes some, such as value from stronger developer relationships and strategic product integrations. Overall contribution margin from GVP partners is expected to remain strongly positive for each of Play, Cloud, and Ads.**

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- Basis of presentation and key assumptions
 - Excludes Strategic Value from improved Dev Sentiment | simship of titles | strategic product integrations
 - Excludes xPA transfer implications
 - Excludes HC costs
 - 3 year program duration (mostly 2022-2024). No extension
 - Base: 56% GCP TAM @ 50% utilization | 10% Ad uplift | Garena @ base
 - Low: 73% GCP TAM @ 100% utilization | 10% Ad uplift | Garena @ base
 - High: 100% GCP TAM @ 100% utilization | 12% Ad uplift | Garena @ stretch

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Appendix

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SAN | Slides & Appendix Navigator

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Appendix A: Value offered to GVP 2019 Devs (excl. ABK) within 3%-5% range approved by BC

Google Contribution Margin Developer	Cloud	Ads	Mkt	GPP	YT	Total	Cont. Margin	Value to Dev
✓ Ubisoft	8	-	(3)	-	-	6	3.5%	-6.4%
✓ Riot	22	(4)	(12)	(2)	(2)	4	1.1%	-6.9%
Mixi	13	-	(7)	0	(1)	5	0.5%	-2.6%
Square Enix	9	-	(6)	(1)	(1)	2	0.1%	-1.5%
Aniplex	7	(0)	(5)	-	-	1	0.1%	-2.6%
✓ Niantic	13	(3)	(7)	(0)	(2)	2	0.1%	-4.2%
Pearl Abyss	0	(0)	(1)	-	-	(1)	-0.3%	-2.5%
✓ Netmarble	(10)	(4)	5	(0)	(2)	(11)	-0.4%	-2.3%
Com2uS	(3)	-	(3)	0	-	(6)	-0.7%	-2.2%
EA	(3)	1	(4)	0	(1)	(8)	-1.0%	-3.2%
Nexon	(22)	-	6	(0)	-	(17)	-1.4%	-3.7%
NCSoft	(28)	(0)	5	0	(2)	(25)	-1.0%	-5.4%
Tencent	(0)	(10)	(15)	-	-	(25)	-1.4%	-4.3%
Bandai Namco	(35)	(1)	(3)	0	(1)	(39)	-1.8%	-2.4%
✓ NetEase	(9)	(2)	(2)	(0)	(5)	(17)	-2.2%	-3.7%
The Pokemon Company	-	-	(5)	0	(1)	(6)		
Multiple developers	-	-	(17)	(5)	(5)	(22)		
Total (Excl. ABK)	8	(22)	(82)	1	(26)	(122)	-0.6%	3.6%

Note: Value offered defined as Incentives at Face Value / 2020-22 Spend.

✓ Represents GVP deals with Cloud commit

- Most deals signed in the BC approved 3% - 5% value range
- Value realized by devs who signed GCP commits was higher than in the BC case due to incremental discounts from commits
 - Includes NCSoft who is currently negotiating a commit
- Ubisoft and Riot underperformed on Play compared to expectations, thus increasing net % value invested. We are not renewing deals with both devs
- **NOTE: Contribution margin listed here reflects net effect of GVP 2019; overall contribution margin from GVP partners was positive for each of Cloud, Ads, and Play.**

Move to Appendix

Appendix B: GVP 2021 is contribution margin positive for Cloud, Ads, and Google Overall

Service Pack Economics	Base	Low	High
Before Accounting Adjustments	Total	Total	Total
\$ millions			
(A) Incremental Google Cont. Margin (Gross of GVP incentives)	363	339	805
Cloud	231	231	354
Ads	85	61	108
Play	47	47	343
(B) GVP Incentives by service pack	(257)	(371)	(601)
Cloud	(114)	(228)	(228)
Ads	(18)	(18)	(18)
Play	(125)	(125)	(356)
(C) Incremental Google Cont. Margin (Net of GVP incentives) (A+B)	106	(32)	204
Cloud	117	4	127
Ads	67	43	90
Play	(78)	(78)	(13)
Play Spend from 2.0 Devs (2022-2023)	26,283	26,283	26,283
Gross inv as a % of Spend	-1.0%	-1.4%	-2.3%
Net inv as a % of Spend	0.4%	-0.1%	0.8%
Play Rev from 2.0 Devs (2022-2023)	7,885	7,885	7,885
Gross inv as a % of Play Revenue	-3.3%	-4.7%	-7.6%
Net inv as a % of Play Revenue	1.3%	-0.4%	2.6%

Section A: Incremental Google Value: represents Gross Margin attributable to GVP GROSS of GVP Inv.
 Section B: x-PA Incremental investments: Captures costs to serve Cloud / Ad credits, marketing inv
 Section C: Google Net Value: represents Gross Margin attributable to GVP NET of GVP Inv.

- **Cloud:** 1%-2% (down from 2%) of Play spend as Cloud credits; Richness and use-restrictions designed to incentivize new commits and spending.
- **Ads:** UAC credits at 1%-5% (down from 33%) of Ad spend.
- **Play:** \$106M Marketing, \$10M in Google Play Points and \$10M in YouTube in the base case
Scales up with performance for Garena
- **NOTE: contribution margin" reflects the projected effects of many components of GVP 2021 but excludes some, such as value from stronger developer relationships and strategic product integrations. Overall contribution margin from GVP partners is expected to remain strongly positive for each of Play, Cloud, and Ads.**

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- To be confirmed, but currently we expect Accounting transfers will be dilutive for Play, accretive to Cloud, and dilutive to Ads and YT, but the overall deal will still be accretive to Ads and YT.
- Regarding GVP 2019 richness: Cloud credits were at 2% of Play spend except for Niantic at 3%. Ads credits were at 33% of ads spend except for Tencent, which was lower.
- High case: +\$191m contribution margin driven by:
 - Cloud: Unlock higher GCP opportunity (100% of TAM) and 100% utilization of GCP credits
 - Ads: 12% revenue uplift from UAC credits
 - Play: \$XXM Incremental Play spend from Garena hitting "stretch" targets
- Net investment - key assumptions:
 - Excludes Strategic Value from improved Dev Sentiment | simship of titles | strategic product integrations
 - Excludes xPA transfer implications
 - Excludes HC costs
 - 3 year program duration (mostly 2022-2024). No extension
 - Base: 56% GCP TAM @ 50% utilization | 10% Ad uplift | Garena @ base
 - Low: 73% GCP TAM @ 100% utilization | 10% Ad uplift | Garena @ base
 - High: 100% GCP TAM @ 100% utilization | 12% Ad uplift | Garena @ stretch

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GVP 2019 + Refreshes: -\$121M Google Contribution Margin with Cloud upside partially offsetting Play | Ads | YT investments

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GVP 2019	Pre-refresh GVP 1.0 excl. ABK	Refresh GVP 1.0	Total GVP 1.0 Incl. Refresh
\$m	Total '19-'24	Total '21-'23	Total '19-'24
Incremental Revenue			
Play	\$95M	\$50M	\$145M
Play Revenue Allocation	(\$225M)		(\$225M)
Play Post-Acct. Rev	(\$131M)	\$50M	(\$80M)
Cloud	\$611M		\$611M
Cloud Revenue Allocation	\$225M		\$225M
Cloud Post-Acct. Rev	\$836M		\$836M
Ads (excl. Play + YT)	\$12M	\$1M	\$13M
YT (Ads)	\$12M	\$1M	\$13M
Total Incremental Revenue	\$730M	\$52M	\$782M
Direct Deal Related Cost			
Play	(\$379M)	(\$78M)	(\$457M)
Cloud	(\$404M)		(\$404M)
Ads (excl. Play + YT)	(\$25M)	(\$0M)	(\$25M)
YT (Ads)	(\$17M)	(\$0M)	(\$17M)
Total Cost	(\$825M)	(\$79M)	(\$903M)
Deal Contribution Margin			
Play	(\$510M)	(\$27M)	(\$537M)
Cloud	\$432M	\$M	\$432M
Ads (excl. Play + YT)	(\$13M)	\$1M	(\$12M)
YT (Ads)	(\$5M)	\$1M	(\$4M)
Total Contribution Margin	(\$95M)	(\$26M)	(\$121M)

Note: the \$225m play revenue allocation is an estimate

- Latest Google contribution margin outlook - \$121M.
-\$537M for Play | +\$432M for Cloud | -\$12M for Ads | -\$4m for YT
- Figures include \$79m in refreshed Marketing, Ads, YouTube investments (\$26m net investment incl. Value recouped)
 - Marketing: -\$66M (Gross) | -\$20M (Net)
 - YT presence grants/ esports: -\$9M (Gross)
 - Loyalty (10 devs): -\$2M (Gross) | +\$2M (Net)
 - Ads (2 devs): -\$2M (Gross) | +\$2M (Net)
- **x-PA implications:** Revenue re-allocation from Play to Cloud expected to be ~\$225m

NOTE: contribution margin" reflects the effects of many components of GVP 2019 but excludes some, such as value from stronger developer relationships and strategic product integrations. Overall contribution margin from GVP partners was strongly positive for each of Play, Cloud, and Ads.

Google

- Methodology + Key assumptions + Input providers
- Methodology for Play Revenue Allocation:
- [Q3'19 - Q1'21 Actuals](#) (excl. ABK) + [Play Deferrals Forecast \(excl. Commit deals and Cash reimb\)](#) + [Deferral Forecast for Commit Devs \(excl. ABK\)](#)
- Input providers: Latest Cloud model on incremental revenue attributable to GVP from JasonN, Actuals from ocrisafulli@, Deferral Forecast for Commit devs from caitlinburke@, and Play Deferrals from karanmmxix@

Appendix D: We would like to encourage developers to publicly highlight success of their businesses and their partnerships with Play

Leverage developer's social media, O&O channels

Partner with Play on joint PR

Platform availability

Highlight benefits from Play partnership

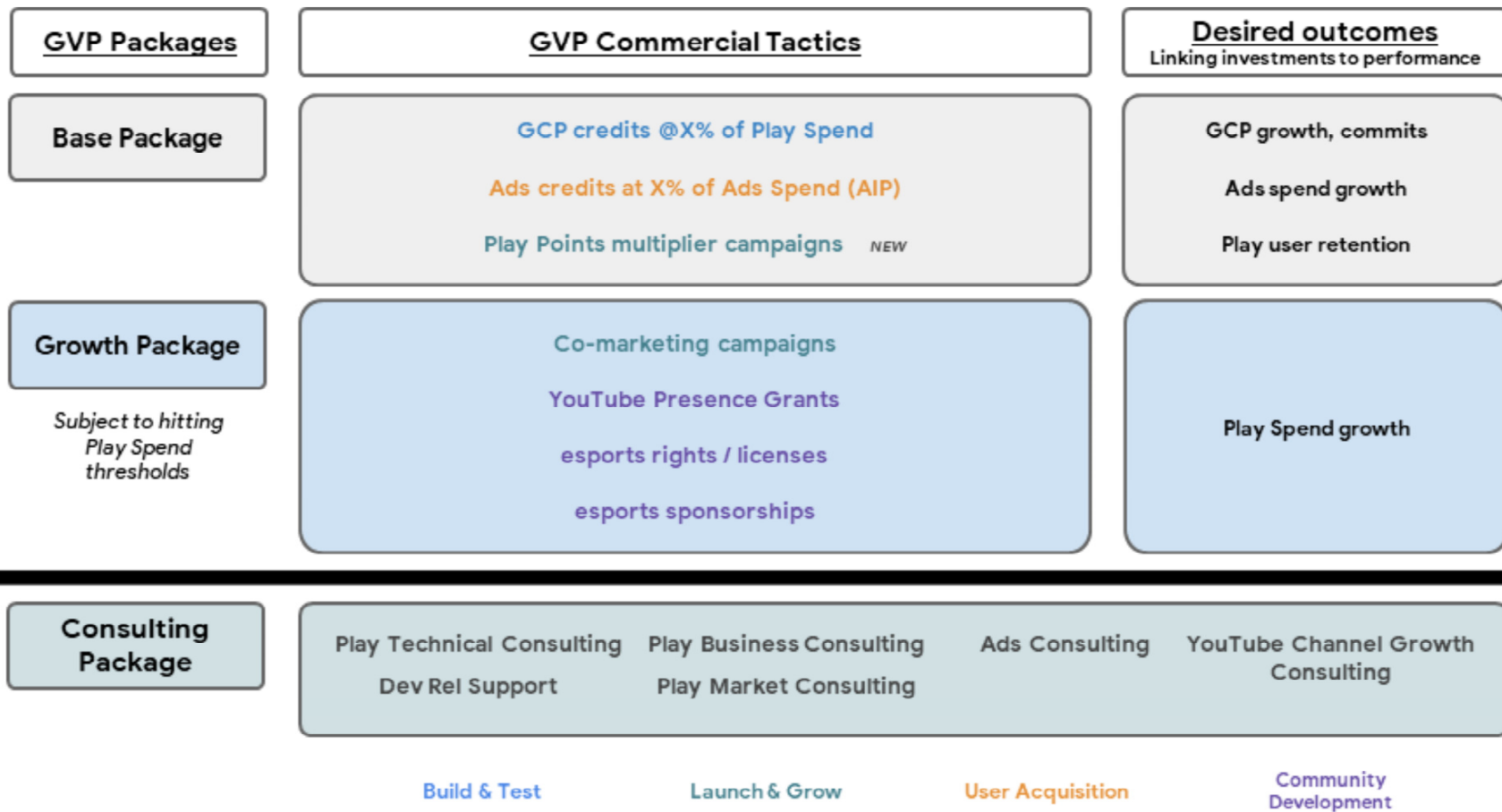
Joint PR & case studies

- Invest in title specific messaging for Play:
 - "Title X now available on Google Play"
 - "Just updated on Google Play"
 - "New skins available on Google Play"
 - etc

- Highlight key partnership aspects with Play
 - Successful game titles
 - Great product outcomes
 - New platform adoptions
 - ...
 - ...

- Joint PR on select strategic partnerships, eg xGoogle deals (similar to ABK)
- Create press-ready stories packaging partner testimonials and tie in with our broader ecosystem support narratives

Appendix E: Aligning deal structure & incentives with growth and ROI



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Appendix G: Cross Google service packs | Success Metrics

Service Pack	Service Pack Components	Success Metrics
Build & Test	<ul style="list-style-type: none"> ● GCP credits: 1-2% of developer's Play spend reinvested as GCP credits, issued every 6 months 	<ul style="list-style-type: none"> ● Total/incremental GCP commits ● GCP credits consumption
Launch & Grow	<ul style="list-style-type: none"> ● Co-marketing: Promote key title moments via Google led custom campaigns, YouTube influencers, DMF, DMF+ ● Play Points: Play Points campaigns to drive incremental monetization 	<ul style="list-style-type: none"> ● Increased participation in Play Points from top partners
User Acquisition	<ul style="list-style-type: none"> ● Ads credits: Shift UAC credits from 33% of developer spend to AIP program 	<ul style="list-style-type: none"> ● ROI from UAC credits
Community Development	<ul style="list-style-type: none"> ● YouTube Presence Grants: incentivize O&O channel content creation & growth ● Mobile esports: Google run live esports events ● Esports sponsorships: Google sponsors developer run esports events ● esports licensing: Google purchases rights to stream sports content on YouTube 	<ul style="list-style-type: none"> ● Mobile game watchtime growth ● O&O channel watchtime / upload growth

Blue items are new

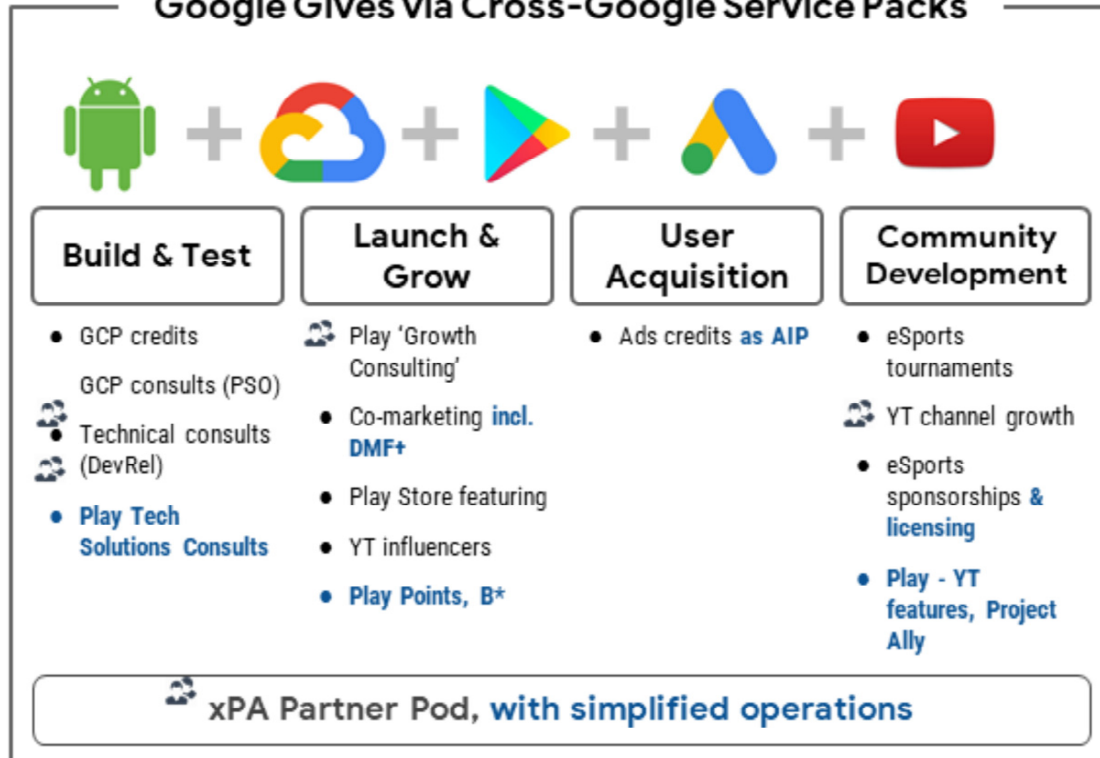
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Appendix H: Evolved GVP 2021 to continue unlocking strategic partnerships, and enable Play users to get the best content at launch

Google Gives via Cross-Google Service Packs



Blue items are new

Desired Developer Behavior (Google Gets)

Prioritize Play Users

- Game titles available to Play users @ launch (simship)
- Play users get access to the same features, **in game items** as anyone else

xGoogle Value Creation

- Link more xGoogle investments to **joint growth**
- **Invest in Google's strategic priorities (eg, Battlestar, Play Points)**

Maintain / Improve Partner Sentiment

- Deepen xGoogle partnerships
- **Public support for Google partnership**

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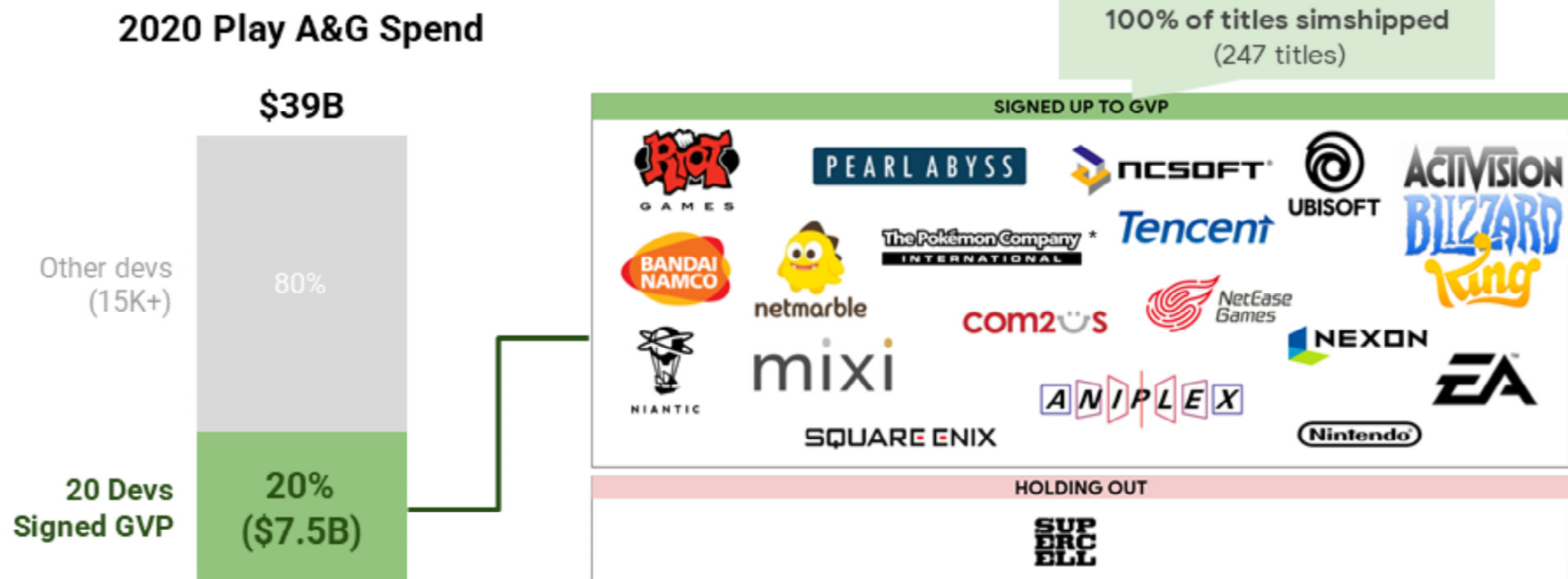
Appendix I:
Comparing
programs

	GVP 2019	GVP 2021
Program Objective	Mitigate Play distribution risk	Deepen xGoogle strategic partnerships
Eligibility criteria	PC/Console Devs Lifetime Revenue of IP >\$1B Play Devs: Lifetime Spend >=\$1B OR Lifetime Spend >\$200m and growing >200% YoY	PC/Console Devs Lifetime revenue of IP >\$1B Play Devs Lifetime Spend = \$1B, growing >20% OR Lifetime Spend >\$200m and growing >200% YoY Lifetime Spend = \$500m, growing >100% No litigation re: legality of content
# of developers	21	9
% of Play Spend covered	20% (not incl. Supercell who has not signed)	15%
Google Gives	Commercial: Ads credits: 33% of eligible UAC spend, capped GCP credits - 2% of Play Consumer Spend, uncapped Comarketing - fixed allocation YouTube Presence Grants - fixed allocation eSports rights / sponsorships - fixed allocation Consultative Ads consulting, GCP consulting, Play business consulting, Partner DevRel consulting, YouTube consulting	Commercial: Ads credits: 1-5% of UAC spend (AIP Program) linked to growth GCP credits - 1-2% of Play Spend; 50% retirable against commits Comarketing - fixed allocation; add DMF+ YouTube Presence Grants - fixed allocation eSports rights / sponsorships - fixed allocation Consultative Ads consulting, GCP consulting, Play business and tech consulting, Partner DevRel consulting, YouTube consulting
Google Gets	Simship, Feature Parity	Simship, Feature, SKU Parity Public support for Play Partnership Stretch targets for Play Consumer Spend (Garena only)
% investment (value to dev)	3-5% of respective Play Consumer spend	2-4% of respective Play Consumer spend (except Garena)
Term	3 years for GCP credits, 1 year for all else	3 years for all incentives except Ads (renewed post ROI eval)
Google Gross investment	\$632M over three years; Incl. \$81M to extend 1 year incentives to three for select devs	\$267M - \$500M (gross) over three years
Google Net Investment	-\$130m over three years	+\$96M - +\$248M over three years

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Appendix J: 20 (of 21 target) devs representing 20% of Play spend signed GVP; are prioritizing Play users via sim-ship and parity on Play; negotiations underway with Supercell

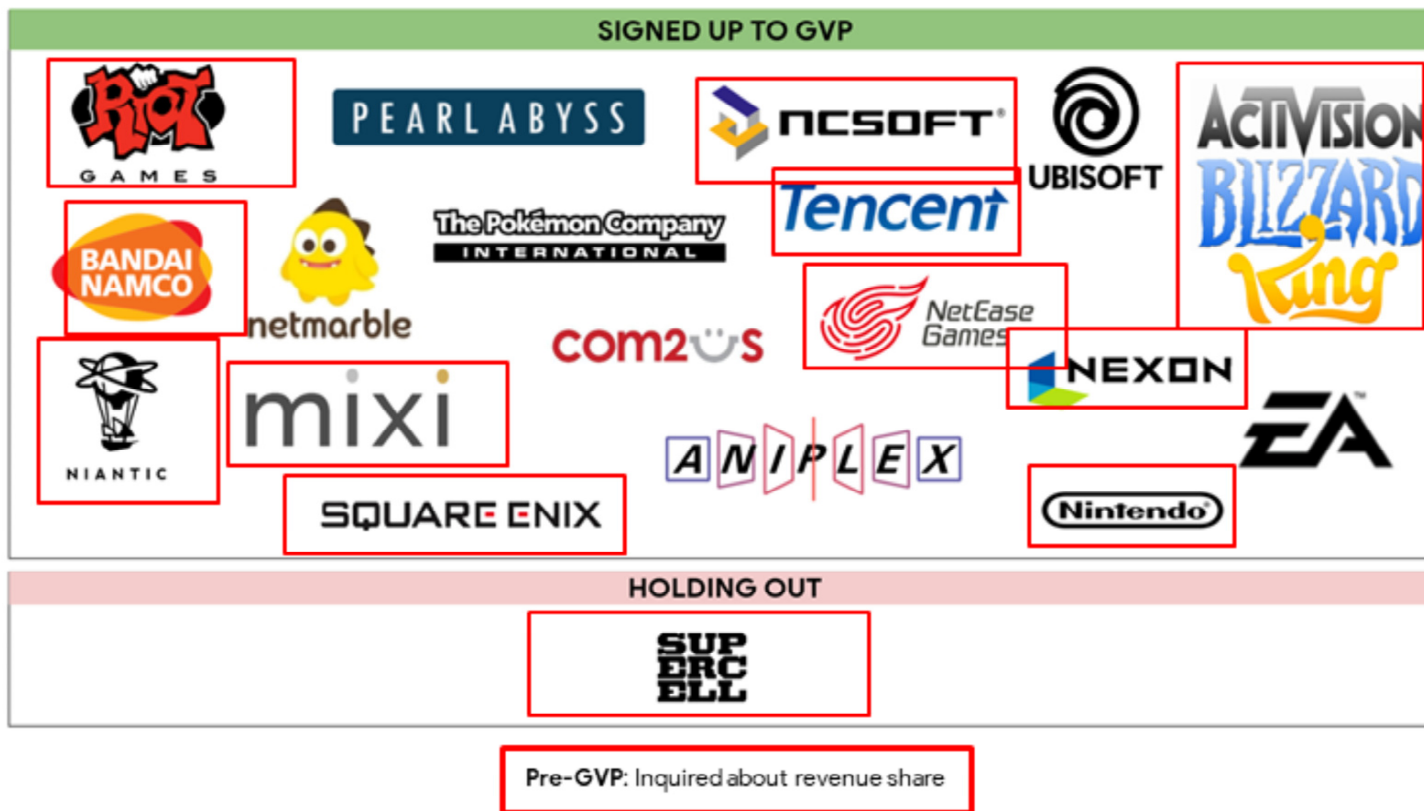


*Pokemon Co. is signing up to GVP obligations on a title by title basis due to their publisher led business model

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Appendix K: Reminder: pre-GVP, several GVP devs expressed concern towards their partnership with Play & Google



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Appendix L: Beyond GVP - Quantitative assessment of partnership health* by xPA Finance teams

	2020 Growth					Comments
	Play Spend	GCP Spend	UAC Spend	YouTube watchtime	Google Revenue Growth	
Riot Games, Inc	100%	125%	13183%	34%	13276%	Expressed public appreciation about partnership with Play
NEXON Company	108%	38%	27%	42%	91%	
Tencent Games	56%	842%	90%	114%	61%	Launched Battle Pass subscriptions exclusively on Play
ABK	29%	245%	141%	59%	58%	
NCSOFT	54%	-39%	-2%	21%	54%	Unlocked strategic xPlatform gaming partnership (Dynasty)
Ubisoft Entertainment	49%	31%	63%	28%	51%	CEO expressed excitement about expanding xGoogle partnership via GVP
Niantic, Inc.	38%	13%	211%	83%	38%	Multiple exec quotes on the strength of GVP partnership
SQUARE ENIX Co.,Ltd.	24%	314%	24%	375%	30%	
Com2uS	5%	22722%	181%	14%	24%	
Netmarble	8%	224%	97%	-22%	20%	
Electronic Arts Inc	8%	34%	205%	21%	13%	Extended GVP deal by +2 years to lean into GCP, Ads
mixi, Inc.	4%	887%	-17%	-3%	10%	Reinvested GVP incentives to return to Play growth
NetEase Games	10%	54%	8%	-31%	10%	Changed launch processes to support GVP partnership & Play users
BANDAI NAMCO Entertainment Inc	-4%	4%	7%	29%	-4%	
Aniplex Inc.	-10%	3021%	107%	42%	-4%	Stepped up exec relationships with Google
The Pokemon Company	-18%	0%	100%	21%	-18%	
PEARL ABYSS	-28%	5410%	-50%	93%	-26%	
TOTAL	23%	75%	88%	40%	32%	






* xPA Finance assessment of developer investment with Google; not entirely attributable to GVP, but supported by GVP

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Appendix M: Developers realized value across PAs & beat BC estimates for GVP 1.0

BC Success Metrics			Other Metrics	
	@ BC	Actual		
	ARR acceleration	19% (by 2024)	39% (by 2024)	
	Win-Rate acceleration	140%	220%	
	Marquee titles on GCP	N/A	9	
	@ BC	Actual		
	UAC yoy growth rate acceleration	11%	+10% Incremental	
	SVA / Best Practice adoption	N/A	Low Adoption	
	@ BC	Actual		
	Mobile game watchtime, as % of total gaming watchtime	10% (by 2022)	12.6% (2020)	
	Mobile game creator/upload uplift	N/A	+153% / +204%	
			3-4 Yr Incremental Spend Commits	+\$191M
			Share of Wallet	+30%
			ROI	-10%

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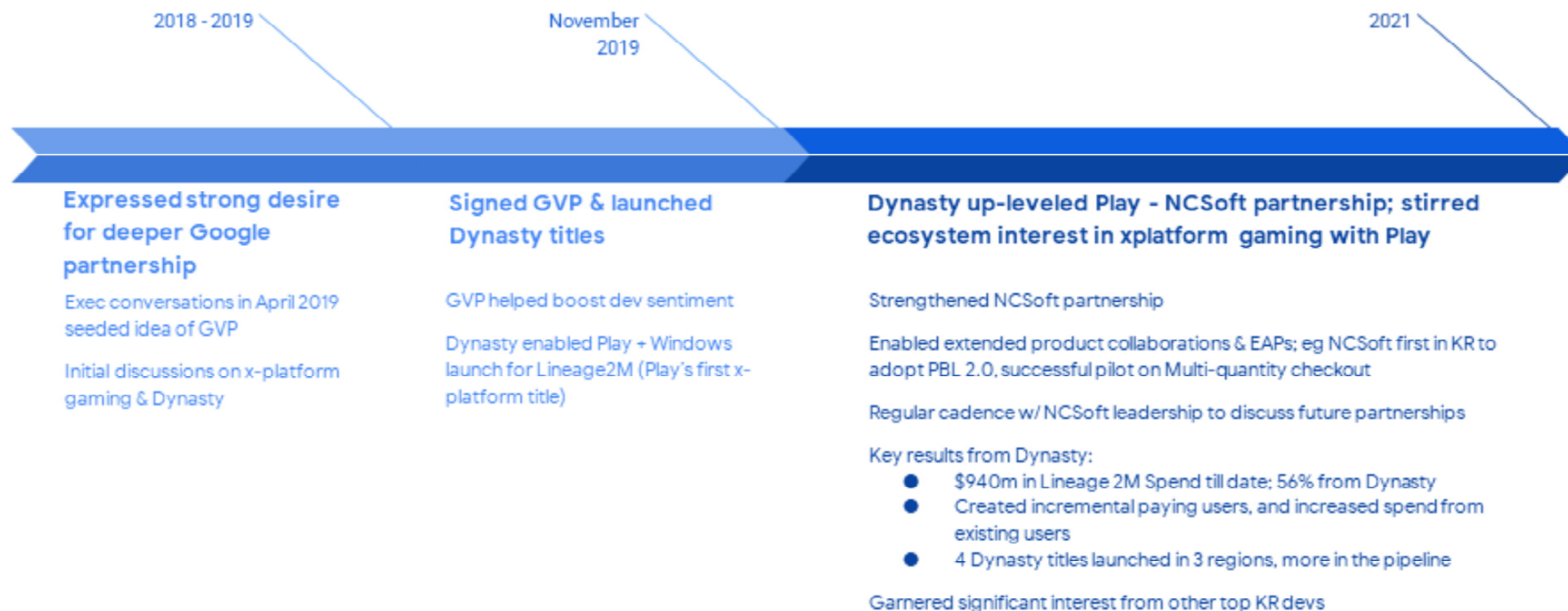
- Cloud Deals:
- ABK: \$230M, 4-yr (\$221M incremental) - Titles: CONFIDENTIAL - COD,
- Niantic: \$100M, 3-yr (\$40M incremental) Titles: 3
- Not closed - Pearl Abyss: \$23M, 3-yr Titles:
- Riot: \$20M, 3-yr (+\$20 incremental)
- Netmarble: \$18M, 3-yr (0 incremental commit but growing 426% YoY)
- NetEase: \$15M, 3-yr (+\$14M incremental)
- TOTAL: \$428M. Incremental: \$331M
- Cloud KPI Definitions:
- ARR acceleration: Defined as average YoY growth between BC 5-year total: \$242M, HUG BC 5-year total: \$581.5M and HUG new projected 5-year total: \$1.2B.
- Win-rate acceleration: Defined as conversion percentage increase from BC %. BC conversion was 25% w/o HUG and 60% with HUG $(.6/.25-1) = 140\%$. Already signed 12 out of 18 developers so 67% conversion. Estimating conservatively at 80% through program duration. $(.8/.25-1) = 220\%$.
- Marquee titles on GCP: Defined as number of marquee titles on GCP from signed developers. 9 titles include"
 - >>Netmarble: Lineage 2 Revolution, BTS world migrating from AWS
 - >>Mixi: Monster Strike - Expected to 13x spending
 - >>Pearl Abyss - Black Desert Mobile - new customer
 - >>Com2US - Monster Warlord, Dragon Blaze, TALION and new title
 - >>Aniplex - Fate Grand Order - Expected to 40x spending

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GOOG-PLAY-010849923.R

EXHIBIT 1524.R-028

Appendix O: Dynasty & NCSoft



Appendix P: Runway (Play reducing service fee to 15% for first \$1m in revenue) has minimal impact on payouts to most GVP developers

Developer	Runway %	Developer	Runway %
KONAMI	0.06%	Electronic Arts Inc	0.07%
SEGA CORPORATION	0.14%	Com2uS	0.08%
Playrix	0.02%	NetEase Games	0.09%
Garena Games Online	0.01%	Ubisoft Entertainment	0.44%
Moon Active	0.03%	Riot Games, Inc	1.95%
CyberAgent Inc.	0.08%	mixi, Inc.	0.05%
Scoopely	0.05%	Aniplex Inc.	0.04%
LilithGames	0.03%	PEARL ABYSS	0.18%
Zynga Group	0.02%	The Pokemon Company	6.79%
Roblox Corporation	0.06%		
NCSOFT	0.01%	Activision Publishing, Inc.	0.11%
BANDAI NAMCO Entertainment Inc.	0.02%	Blizzard Entertainment, Inc.	0.48%
Netmarble	0.03%	King	0.02%
SQUARE ENIX	0.03%	Tencent Games	0.03%
Niantic, Inc.	0.04%		
NEXON Company	0.05%		

We will not renew GVP with Riot due to underperformance of their titles on Play


TPC titles are published by 3rd party developers (e.g. Niantic for Pokemon Go), due to which this number is misleading. We will continue to invest behind TPC's high potential titles

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Appendix Q: Ads Impact Analysis - GVP 2019 Summary

 UAC YoY Growth	Projected	Actual
	N/A	+10% Incrementality
	N/A	Low SVA Adoption
Ads Best Practice Adoption	N/A	
SOW	N/A	+30%
BC Metrics		

Key Highlights

- 9 developers receiving UAC credits as part of Hug with **\$66 million** in credits received in 2019/20 (budget of \$100M) - 61% of total GVP 1.0 credits related to Activision Blizzard
- Incrementality analysis infers an aggregate **revenue uplift of 10%**, increase in SoW with an average **+30%** across most clients post-Hug (note: SOW no longer tracked post Q2'20)
- UAC credits delivered negative ROI (**-1.7 ROI**), with the implied incremental revenue uplift being less than the original BC expectations

Key Learnings & Solutions in GVP 2.0

- Developers are increasing SOW & UAC spend, but overall ads ROI negative driven by high payout % → 2021: Adopt AIP credit model design & lower payouts to better tie credit payouts to incr. ad growth
- Guardrail of 3 qualifying use cases necessitates manual scrutiny and review to determine eligibility for credits → 2021: Simplify qualifying spend & credit release structure
- Credit deployment relies on a highly manual process (bmods) leading to bad user experience, risk of inaccurate financial reporting and inability to scale in key markets → 2021: Build new payments tool to automate credit distribution via coupons (Project Rosie)

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- BC assumption of uplift was equivalent to 50% of released credits - BC assumption = \$33M uplift (50% of \$66M) vs actual implied uplift of \$29M
- Latest incrementality study performed by the Economics team (as of Oct-20) - [Source](#)

Learnings from User Acquisition

	GVP 1.0	GVP 2.0
AC credits were expensive	Ads ROI is -ve, while overall program ROI remains +ve <ul style="list-style-type: none"> ● Though incrementality surpassing BC expectations, -ve Ads ROI is unsustainable for renewal or scaling purposes ● X deals unintentionally double dipping in both GVP & DVIP, resulting in \$xx credits paid out without incrementality 	<p>Lower % back from 33% to 1-5%</p> <p>Limit customers to sign either GVP, AIP, or DVIP</p>
Credit utilization was low	Only 50+% of Ad credits was unlocked, leaving ~\$50M on the table <ul style="list-style-type: none"> ● Avg deal negotiation duration ~6-9 months, leaving devs only 6-9 months to fulfil contract terms, which are slated to end EOY 2020. ● High credit caps for low ad spenders (eg. Riot, NCSoft, Aniplex), resulting in <25% redemption ● 63% of credits were redeemed by ABK, rest of partners range from 8%-65% redemption. 	<p>Secure budget through end of 2022 to allow for longer negotiation time</p> <p>Re-work budget allocation based on Ad spend ability</p>
Operationally very taxing	Highly manual to operationalize customized deals <ul style="list-style-type: none"> ● Credits delivered via credit memos, which are highly manual in calculation & application ● X out of 18 deals have customized terms, requiring customized setup from Accounting & Legal, hindering the ability to automate.. ● Ads rev database lacks signals to differentiate gaming vs non gaming rev 	<p>Issue credit via Coupons (already secured Eng/PM commitment via Project Rosie)</p> <p>Standard AIP deal mechanism</p>

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- [Credit redemption](#)

Summary of UAC Revenue & Credits by Developer

9 ad credit deals completed; \$66.5M earned to through 12/31/21 (~60% to ABK)

Developers	Budgeted UAC Credits (\$M)	GVP Start Date	GVP End Date	Total App Promo Revenue (\$M)	Hug Credits Earned (\$)	UAC Return (%)	Credits Utilized (%)
Activision Blizzard	35 M	Apr-2020	Mar-2021*	130 M	28.6 M	22%	82%
King.com	20 M	Jul-2019	Jul-2019	60 M	11.9 M	20%	60%
Riot Games	10 M	Feb-2020	Dec-2020	23 M	6.4 M	27%	64%
Netmarble	9 M	Jan-2020	Dec-2020	33 M	6.5 M	20%	72%
NetEase Games	8 M	Jul-2020	Dec-2020	24 M	3.6 M	15%	45%
Niantic	7 M	Nov-2019	Dec-2020	25 M	6.3 M	25%	89%
NCSoft	3 M	Nov-2019	Oct-2020	1 M	0.2 M	15%	8%
BANDAI NAMCO	3 M	Feb-2020	Dec-2020	13 M	1.5 M	12%	60%
Aniplex	2 M	Jan-2020	Dec-2020	3 M	0.6 M	25%	31%
Pearl Abyss	2 M	Nov-2019	Oct-2020	6 M	0.9 M	14%	44%
Total GVP 1.0	99 M			320 M	66.5 M	21%	68%

Total GVP Budget	100 M
Total Credits Earned	66 M
Over/(Under) Budget	-34 M


*Year 1 only; total committed credits of \$108.5M over 3 years

BC approval contingencies for ads involvement

1. **Stronger Ads Sales Team Involvement:** Co-develop a process to ensure GVP deals do not negatively disrupt Ads ecosystem. Sales teams should participate in deal design prior to partner engagement.
2. **Avoid Custom Deals:** Strong desire to avoid one-off, custom deals outside of GVP, given intensive operations across 7 XFN ads teams; in the case of custom deal proposal, ads finance / product / GPL VP approvals required.
3. **Single Year Terms Only:** Ads committing to single-year deal terms to start, while securing budget for all 3 years at BC. Evaluation of continuing ads involvement beyond year 1 to require Sales Director & Finance sign off and pursuant to Ads deal ROI evaluation.

- Path to long-term handover: Should ads continue beyond year 1, commitment to realign on long-term infrastructure & operational coverage
- AI:
- Define parameters about customization: AI -
- APAC GBO x Play meeting: Karan to kick off thread with Karl about setting up a meeting with Scott & Purnima to walk through APAC concerns
- Single year terms: Ads to support 1 year commitments, with BC approval via email for added funds in Y2 and Y3. Please let us know

Appendix R: GCP Impact Analysis - Summary

	Projected	Actual
 3 year Spend commits <i>ARR acceleration</i>	N/A	+\$412M Incremental 39% (by 2024)
Marquee titles on GCP	XX	9
BC Metrics		

Key Highlights

- 10 developers receiving GCP credits via Hug
- Hug helped sign deals with 50% of the top 10 developers collectively expected to spend \$2.6B on IT in 2021
- Helping devs expand x-platform GCP footprint in Gaming
- Deals expected to deliver higher longer term upside to Google

Key Learnings

- Allowing commits & Hug credits to coexist was crucial to close large deals
- Need to spend time thinking about nuances of Cloud ecosystem, e.g. resellers, local taxes
- Highly operational & resource intensive; need to invest in standardizing approvals and operations

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- \$Niantic - \$100M/3yr, starting in Sept 2019
- ABK - \$230/3yr, started in Jan 2020
- Riot - \$20/3yr - started in Jan 2020
- Netease - \$15M/3yr - started in July 2020
- [REDACTED]
- PENDING: EA \$15M, Tencent \$40M, PA - \$15-18M

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HUG 1.0 Developer Status - 19 of 21 contracts signed

Signed

H1'20 Signers

1. **Niantic** (US)
2. **Netmarble** (KR)
3. Pearl Abyss (KR)
4. Com2Us (KR)
5. Mixi (JP)
6. Aniplex (JP)

H2'20 Signers

1. **Activision Blizzard King** (US)
2. **Riot Games** (US)
3. **NetEase** (CN)
4. **Nintendo** (JP)
5. Ubisoft (FR)
6. **Bandai Namco** (JP)
7. **NCSOFT** (KR)
8. NEXON (KR)
9. **EA** (US)
10. **Tencent** (CN)
11. **Square Enix** (JP)

Holdouts / Significant Roadblocks

1. Supercell** (FI)

Ineligible for GCP credits

1. The Pokemon Co (titles developed and published by 3P developers)

Those in **green** denote those under commit
 Those in **blue** actively scoping a larger commit
 ** denotes those where the blocker is primarily Developer related vs. GCP or Play driven

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GCP spend commit deals, including incremental attributable to Hug

- **ABK:** \$230M, 4-yr (+\$221M incremental) *Not counted in GVP economics, but GVP credits were crucial to closing commit with ABK*
- **Niantic:** \$180M, 3-yr (+\$120M incremental)
- [REDACTED]
- **Riot:** \$20M, 3-yr (+\$20M incremental)
- **NetEase:** \$15M, 3-yr (+\$14M incremental)
- **Netmarble:** \$18M, 3-yr (0 incremental commit)
- [Negotiating]
 - **NCSOFT:** \$100M, 4-yr
 - **Netmarble:** \$60M, 4-yr
 - [REDACTED]
 - **Supercell:** \$2.5M, 3-yr

TOTAL: \$508M. Incremental: \$412M

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HUG 1.0 credits have accelerated GCP consumption and helped sign commits

Strong xPA synergies in Gaming, large customer IT TAM, digitally native industry and Play's willingness to invest in HUG have successfully boosted xPA adoption for Cloud



1 Initially in H12020 GCP commits were only allowed on an exception basis. Play unblocked commit deals in H22020 and now GCP leads with trying to secure a multi-year commit.

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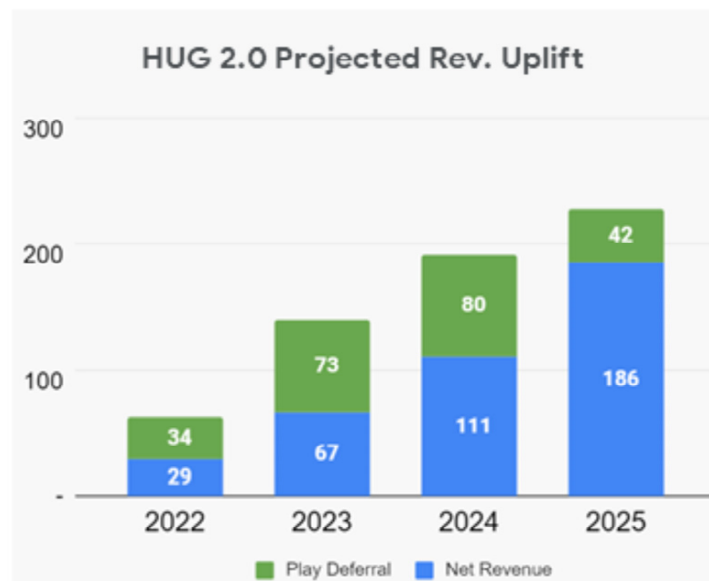
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HUG 2.0 expands customers by 50% and expected to drive \$400M+ incr. revenue

Program expansion prioritizes Cloud commits for all customers, incentivized by Play credits

Highlights:

- **9 customers in-scope** based on publicly-defensible Play criteria. **Several GCP priority customers included**¹
- **CyberAgent and Garena** are 2 of Cloud's largest projected deals (**\$100M+**), Sega, Konami and Roblox have strong potential
- **56% of the customers are based in APAC/ JP** similar to HUG 1.0. **2 qualifying EMEA customers** (Moon Active, Playrix)



Early Insights:


Second tier of Gaming customers (primarily mobile) so opportunity not as large as HUG 1.0 due to less IT spend compared to AAA (console) developers. Still very favorable uplift for Cloud

Next Steps: Cloud Leadership Approvals² (this meeting), BC week of May 10

¹ Zynga, Playtika excluded due to ongoing legal concerns

² Cloud Finance / Sales leads are aware it's coming, plan to send a note ahead of time, BPR next Wed.

Appendix S: YouTube Impact Analysis - Summary

	Projected	Actual
<i>Mobile Game Watchtime</i>	10% by 2022	13% in 2020 (incrementality TBD)
<i>Creator / Upload Uplift</i>	+50% / +50%	+120% / +161%
Revenue (UGC mobile exclusive)	+30%	+57%

BC Metrics

Key Highlights

- Presence grants enabled positive engagement with developers on content strategy & planning
- Most developers increased their YouTube content uploads / creator engagements / YouTube presence
- Funds being used across a variety of initiatives - live events, creator academies, community days

Key Learnings

- Longer than expected lead times, however useful foundational work and testing done with most devs
- Title popularity impacts effectiveness of funds; Riot and ABK saw decline in content creation / audience due to title popularity / age

YouTube Presence Funds Impact by Developer in Hug 1.0

Existing Partners with YT deals	2019 Watchtime	2020 Watchtime	YoY WT	YoY Rev
Activision Publishing, Inc.	691,373,705	1,669,175,115	141%	223%
Niantic, Inc.	543,400,490	317,419,326	-42%	16%
Riot Games, Inc	850,305,339	940,901,617	11%	25%
BANDAI NAMCO Entertainment Inc.	5,830,790	3,411,581	-41%	43%
NCSoft	91,289,236	84,519,028	-7%	13%
Blizzard Entertainment, Inc.	649,045	26,937,790	4050%	270%
mixi, Inc.	60,924,013	108,035,855	77%	66%
King	575,170,663	978,085,516	70%	86%
Netmarble	649,044.93	26,937,789.87	4050.37%	270.5%
Total	4,817,206,738	6,632,579,181	38%	81%

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